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THE BRITISH WAR-TIME MEAT CONTROL SYSTEM

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I

INTRODUCTION

The purpose of this report is to describe, in some detail, the mechanisms which the United Kingdom, from its experience in two wars, has found necessary to effective war-time control of meat.

British control methods vary from commodity to commodity with certain underlying principles common to all. For the purposes of this report the system applied to meat will be taken as a basis and variations found in the treatment of other foods will be pointed out briefly. Meat has been chosen as the principal subject of discussion because it is one of the most difficult commodities to control, because it is subject to perhaps the most thoroughgoing control of any commodity in the British program, and because the problems of meat control are immediately pertinent in the United States. The control process will be described in each of its various stages and aspects. It cannot be emphasized too strongly, however, that any such break-down is purely for purposes of easier exposition. In practice all of the controls operate simultaneously and as integrated parts of one unified system of control. No part can stand alone and the success of each depends entirely on the existence and smooth operation of the others.

I General principles of control of basic food commodities, with particular reference to meat. - One of the major objective of control of basic food commodities is to achieve equitable (but not necessarily equal) distribution of a limited volume of food to all consumers. In normal times in capitalistic countries the impact of a more or less free flow of prices on supply and demand is relied upon as the principal mechanism for achieving this end, supplemented by government or private arrangements whenever this basic mechanism produces flagrantly unsatisfactory results for producers or consumers. In war-time this primary mechanism is no longer available to do any but the smallest part of the job. In any case, at its best, it is not sufficiently precise nor equitable nor economical of resources, ~~or~~ power and transport to be relied upon in war-time. So other devices - administrative devices - must be created to do this job. The first thing that must be recognized is that it is a difficult job - almost inconceivably complex in its details. To create a mechanism which will get the right quantities of food to the right places at the right time in a country of many millions of consumers requires superlative organization and administration. For not only

that the job be done - it must be done well. The very act of creating a ration implies a government guarantee that the ration will be met and that it cannot be exceeded by any favored few. To meet this guarantee requires strong measures.

The first principle of control of major food commodities, then, is:

1. A control system to be effective must be tight, manageable and efficient.

Several subordinate principles grow out of this major one.

- Tight, manageable, and efficient control requires:
 - (a) The creation of a bottleneck through which the whole supply of the commodity flows.
 - (b) Control of all the handlers of the commodity. This means at least licensing of all handlers and some sort of check on all transactions.
 - (c) Reorganization and simplification of the normal channels of trade.
 - (d) Fixed channels of supply - i.e. registration of consumers, tying of retailers to wholesalers etc.
 - (e) Simplification and standardization of the commodity.
 - (f) Uniformity in prices and rations over large areas.
 - (g) Direct government buying and selling of the commodity.
 - (h) The free use of subsidies either in the form of direct payment or losses on government trading. This is because the major purposes of control frequently require moves which could not be countenance under ordinary "profit and loss" thinking - i.e. "Forensic" or "administrative" use of prices; sales at less than cost; elimination of some handlers, and maintenance of others as "stand-by units" without current function; equalization of prices regardless of transport and other cost differences; etc.
 - (i) Ease of policing be "built in" when the system is devised. British experience strongly indicates that no conceivable number of enforcement officers can prevent widespread violations in a control system which is loosely conceived and which does not have the sympathetic support of the trade and consumers.

- j) Maximum use of the normal personnel of the trade. This is not identical with use of the "normal channels of trade". These too are used whenever possible but, as indicated above, no hesitation is shown in reorganizing eliminating or replacing the channels as such when effective and efficient control so requires. The normal personnel of the trade are the only ones capable of properly handling the countless technical details involved in the distribution of millions of units of a commodity.
- (k) Maximum administrative decentralization. The large number of transactions and individuals involved and the speed with which transactions in the food trade must take place make detailed "central office" control impossible. Thus the key administrative approach must be to have every transaction completed as near to the "customer" as possible. The central office should not just "delegate to" the "field". It should only remove from local and area office control the very minimum of policy and inter-area operations matters which cannot possibly be handled lower down.

In addition to the basic considerations of tightness, manageability, and efficiency, an effective control system must achieve:

1. Convenience to the consumer. No effort should be spared to minimize shopping, queuing, and "missed rations" for the busy war-time housewife.
2. Maintenance of the "status quo ante" in the trade. Apart from considerations of fairness, the British have found that any control system under which some members of a trade are enabled to better their present or post-war position at the expense of others will be sabotaged by the latter. They have gone to considerable and frequently "uneconomic" lengths to prevent such disturbances.

At this point it may be desirable to discuss briefly the attitude of the trades and consumer groups to control in Britain. Looking at the drastic British system applied in major foods superficially it would be fairly easy to become concerned about "government controlling business" or "business controlling government" depending on one's point of view. A closer inspection of the British control system in operation shows clearly that there is little ground for such concern. In the fullest sense of the word business and government are working together for a common cause: The control system provides equitable treatment for the trade but brooks no "shenanigans" adverse to the public interest. Indeed, as the system operates, the hard-and-fast distinctions between "business" and "government" become extremely blurred.

Secondly, the civil servants - pictured as temporary civil servants to assist in the control of a particular commodity; use their "initial knowledge" to learn about and discipline would-be violators of controls or unfair trade practices which could lead to excessive profits at the expense of consumers. At such cross-roads of the distribution system as meat supply depots "government" and "trade" employees work side by side and it would be difficult to tell from their expressed attitudes or activities which was which.

Two bits of factual evidence are significant in this connection:

1. The various trades have not only been willing but anxious to come under "control". In almost all cases the first initiative in instituting control has come from the trade rather than the Ministry.

2. Consumers, organized and unorganized - including the very powerful consumer cooperatives - have had little but good to say of the food control program as it has operated over three years of war.

The secret of this successful elimination of the "va", in the business and government relationship lies partly in the general deeply-felt consciousness of the urgencies of the war in all British circles, but even more in the Ministry's astute balancing of business freedom to make technical decisions under leaders in whom they have confidence with final civil-service control when the public interest so requires.

Another easy illusion above control may be dispelled at this point - i.e. - that control involves the superimposing of a well-barred bureaucracy on the normal structure of trade. As has been pointed out, control involves simplification rather than proliferation of the channels of trade - government channels included. If in the original picture say, forty people were involved in handling a particular commodity at a particular stage, the picture under control will definitely not involve the original forty plus a dozen or so supervising "bureaucrats". On the contrary, of the original forty, half a dozen may have become the controlling "bureaucrats", aided by a few regular civil servants. Of the balance perhaps half will be operating in their previous capacities while the remainder will have been eliminated as unnecessary to the simplified structure.

While precise estimates are impossible, it may safely be said that the total personnel involved in the distribution of food, including all central and local government employees, under the control system is substantially fewer than the number required before the war.

This, then is the general background - the approach and principles under which British food control in major commodities operates. Within

this general framework the Ministry of Food has developed a whole armory of control devices. It is free to choose from this armory the combination of weapons which best fit the situation regarding any particular commodity. The choice of devices is dictated by the nature of the commodity, the prior organization of the trade therein, the place of the commodity in the consumption picture, and the degree of scarcity of the commodity. It should be emphasized that the situation to be judged is not that which prevails at the moment control is to be imposed, but, rather, the most difficult situation which is likely to arise in the foreseeable future.

With this background the specific mechanisms of meat control, an example of the rigid type of control employed for basic commodities, may be discussed.

II

The Mechanism of Meat Control

1. Getting the meat into the system.

(a) Home-killed meat. Control of home killed meat in Britain begins before the meat-to-be stops walking. The first step in establishing control of home-killed meat was to flatly prohibit any selling or buying of livestock for slaughter for human consumption by anyone other than a government buying agent. Thus the Ministry of Food becomes the sole purchaser of livestock for slaughter.

All slaughtering is also done by or for the Ministry. Thus there is no possibility of any meat flowing outside of the control system except as a result of a direct and overt violation of the order. Private slaughter or sale for slaughter to anyone but the Ministry is a crime and if detected is punished as such. Exceptions to this stringent requirement are made by special license in the case of butchers in extremely isolated areas; farmers who wish to slaughter up to two animals a year for their own use, and for "casualty" animals.

To effectuate this system the Ministry has established "collecting centers" for livestock. There are some 600 of these, scattered in villages all over the country. In all except the most thinly populated areas, the most remote farmer will not be more than fifteen or twenty miles from the nearest collecting center.

An animal which is designed to become meat enters the control system at least twelve days before it is scheduled to be sold for slaughter. Not later than Wednesday of the week before the week in

which he proposes to sell his animal the farmer is required to notify the head of the nearest collecting center of his intention. Summaries of these notices are then passed on to Area Meat and Livestock Officer. There a summary is made for the whole area, which in turn is sent to the central office of the Meat and Livestock Division. Thus the Ministry knows well ahead of time almost exactly the amount of meat which will be coming forward in each part of the country in each period. Slaughtering arrangements, transport arrangements, storage arrangements, and distribution arrangements can be made in advance. In the rare case where stock is coming forward in some areas at a rate which seems likely to swamp slaughtering and other facilities this word will be passed back down the line and farmers in the affected areas will be notified that they will be permitted to bring in only a percentage of their original schedule.

While no direct measures are taken to require farmers to supply livestock for slaughter at any given time, vigorous manipulation of the price structure is used to encourage orderly marketing and inhibit over-fattening and other undesirable practices. Prices vary over a fixed scale, with lowest prices being paid at the normal peak seasons. The price structure also penalizes under-fattened and over-fattened animals, casualties, etc. Animals deemed to be in "store" condition i.e. well suited to further fattening, will not be purchased at all.

One of the keys to the effectiveness of the price system as set up in Britain is that the prices which will be paid week by week for each class of animal are announced for well over a year in advance. Thus there can be no withholding or forwarding of cattle on speculative grounds. Also, since the Ministry is the sole purchaser, the prices paid for livestock can be divorced almost entirely from actual meat selling prices, and are left free to be adjusted in the way which will best serve the administrative ends desired, with discrepancies made up in other branches of the Ministry's trading or accepted as trading losses and part of the Ministry's subsidy toward efficient distribution of food at low cost. The sole-purchaser arrangement also makes possible the equalization of transport and other area differentials in costs and permits the adoption of a uniform price structure over the whole country, thus greatly simplifying the administration of the subsequent distribution program.

The full current price structures for cattle, sheep, and pigs are attached as appendices I, II, and III respectively. 1/ The seasonal and grade price differentials set up in these schedules warrant careful study.

1/ No appendices are attached to any copy of this report except that given to the Livestock Branch. Only one copy of the numerous control documents was brought from England, and it is believed these can best be used in the Livestock Branch.

Collection markets are normally held once a week and on the appropriate day the farmer will set off for the collecting center with his stock. If he lacks facilities for transporting the stock to the center he has only to make a note of this fact on his notification form and the center authorities will make arrangements with a local contract hauler to pick up the stock. The cost of such hauling is deducted from the price paid to the farmer for his stock.

Having arrived at the center, the stock will be put in pens to await grading. The physical premises of the center are normally the premises of the local livestock auctioneers which were used for the regular auction markets for livestock which prevailed before the war. The auctioneer himself will have become the Ministry official in charge of the center. The auctioneers are reimbursed on a piece-work basis, with maximum and minimum daily limits. Under an arrangement made by the auctioneers themselves, all payments are made into a nation-wide pool from which each auctioneer is reimbursed in an amount proportionate to his pre-war share of the total business. This system has worked very well and has prevented discontent amongst the auctioneers who have been put out of business or who are assigned to less active centers under the new system.

Grading is done by a three-man panel made up of the auctioneer in charge, a butcher and a farmer. These "Certifying authorities" are chosen by the Ministry on the basis of recommendations made by their respective trade organizations. They are trained and closely supervised by full-time travelling inspectors employed by the Ministry.

The grading is not for quality as such but as a means of estimating dead-weights of the live animals. This is necessary because payment is made on a live-weight basis except for pigs. For sheep the graders are called upon to classify the animals and to estimate the probable dressed weight of each small flock. For cattle they estimate the killingout percentage, and actual live-weight is determined by the scales. Amazing accuracy in predicting actual meat out-turn is achieved by the graders; the overall average of their estimates being within .1% of the actual dressed weights.

Since the grade assigned makes a very substantial difference in the amount the farmer receives it is essential that the grading be done accurately. The best evidence that farmers on the whole are satisfied with the fairness of the grading is found in the atmosphere of the center while the grading is in process.

Protests against assigned grades are almost non-existent. Actually, there is no provision for appeal from the decision of the graders, although the farmer is free to take his animal home again and fatten it.

if he is not satisfied with the grade assigned. This happens in about 2% of the cases. Also, in doubtful cases, the Ministry inspector who is present may order that a grade be suspended and payment made on the actual killing-out percentage as determined after slaughter. This, however, is rarely done.

When grading has been completed, the animal is scissor-marked accordingly. The farmer is given a sheet showing the grades assigned to his animals and a copy of this sheet is sent to the County Chairman of Auctioneers who sees that a check in the appropriate amount is despatched to the farmer. Payment is made within three days of the sale.

At this point the animals are ready to be transported to assigned slaughterhouses and the next stage of the control system begins.

Details of the organization and operation of collecting centers, grading systems etc. are given in Appendices III, IV, and V attached. (See footnote 1.)

(b) Slaughtering Arrangements. The livestock collected at each center is transported to the slaughterhouses by contract haulers operating on Ministry account. Allocation of the proper number of animals to each slaughterhouse is on the basis of directions received from the Area Meat and Livestock Officer. The exact system by which such allocations are made will be described in a subsequent section.

There are now about 700 slaughterhouses in use in the United Kingdom. Before the war there were some 16,000, most of them very small and operated as a sideline by retail butchers. The means by which this large reduction in the number of slaughterhouses was accomplished is an interesting example of the way in which the Ministry works. No specific orders were issued directing that such and such slaughterhouses be closed, but the general order that all slaughtering was to be done by the Ministry resulted in only those chosen by the Ministry having anything to do. There was considerable protest against this extreme concentration. At the commencement of the scheme the Ministry set up local tribunals in each country consisting of three representative citizens. These tribunals were empowered to examine complaints, but their terms of reference provided only that they should operate on complaints that the slaughtering arrangements made by the Ministry were inadequate. In all, 38 cases were put forward and in only two cases were changes in the arrangements granted.

No compensation has been paid to slaughterhouses which are no longer operated. It is not felt that any great hardship has been caused by this provision since most of the smaller slaughterhouses were simply adjuncts to a retail shop, while many of the employees and managers of the larger units have found work in the Ministry.

The actual slaughterhouses which were selected and which were used by the Ministry are the largest, best-equipped, and best-located of those available in each area.

About 4/5 of those in use were formerly operated by private firms and these were requisitioned by the Ministry and an agreed rent based on valuation is paid. The remainder were abattoirs operated by local Authorities (local governments). Before the war they were used by butchers who paid for the use of the facilities on a headage basis. Now the Ministry as the sole slaughterer pays the same headage rate. Slaughter houses are managed by full-time officers appointed by the Ministry of Food. The actual slaughtering is done by contractors working on a fee basis.

When the animals have been slaughtered, the carcasses are dressed and the by-products (blood, glands etc.) are put aside for special uses. Incidentally, the new slaughtering arrangements have made possible much more complete use of by-products. The meat is then weighed and graded into four grades; first quality meat for retail sale, second quality meat for retail sale; good manufacturing meat and poor manufacturing meat. At this point the meat is passed on to the nearest depot of the area Wholesale Meat Supply Association for distribution to retailers.

(c) Imported Meat. At the wholesale depots home-killed meat is supplemented by imported frozen meat to make up a sufficient quantity to meet the ration demands of the retailers in the area served by the depot. It may, therefore, be desirable to go back at this point and trace the flow of imported meat briefly.

Meat is purchased abroad on the basis of long term contracts by Ministry agents and shipped to England. Upon arrival at port it is taken in charge by the Port Meat Officer and a representative of the Meat Importers National Defence Association Ltd. (MINDAL) This organisation is made up of all pre-war importers of meat and is responsible for handling the meat on arrival and storing it under the general storage scheme of the Ministry and finally for delivering it to the wholesale meat depots as needed. The Association is remunerated on a commission basis which was determined after a cost accounting investigation and payments are made to all members on a pro-rata basis depending on the volume of their pre-war trade. A copy of the Articles of Association of MINDAL is attached as Appendix 7. (See footnote 1.) Of particular interest is the arrangements by which the Ministry keeps control of the Association by having two shareholders in the company, either of whom has a majority vote. A smaller organisation, the Associated Canned Meat Importers Ltd., operates for canned meat. A copy of its Articles of Association is attached as Appendix 8. (See footnote 1.)

Meat Allocations - The system by which meat is allocated to meet the needs of each area of the country is most interesting. The most important characteristic of the system is that it is positive and precise. The Government does not rely on any of the ordinary mechanisms of "shopping" by retailers and wholesalers to see that the right amounts of meat are in the right place at the right time. Instead it takes positive steps to see that this result is achieved and that supply and demand are equated.

On the demand side the needs of each butcher, as evidenced by his ration registrations, are known to the manager of the local depot of the Wholesale Meat Supply Association to which he is attached. Each depot manager adds the requirements for his collection of butchers (normally about 70) and forwards them a week in advance to the Area Meat and Livestock Officer who in turn compiles the total demands for his area and forwards them to the central headquarters of the Meat Division. On the supply side the Area Meat and Livestock Officer knows from the advance notices compiled by the collecting centers in his area about the amount of domestic meat which will be coming forward in each locality. He matches the forthcoming supply of each slaughter-house with the needs of the wholesale depots nearest to it. If one depot has a surplus, arrangements are made to have the excess meat sent to the next nearest depot in the area which has a deficiency. If it seems that the area as a whole has a surplus over its needs, notices of the excess amount available are transmitted to the central headquarters and arrangements are made there to have the excess transferred to an adjoining deficiency area. If home killed supplies are less than demand, as is almost always the case, the area meat and livestock officer gives directions for sufficient imported meat to make up the balance needed to be delivered to each depot from the cold stores in the hands of MINDAL. Thus, there is physically collected in each depot each week the amount of meat which will be required to meet the needs of the retailers attached to this depot.

Appendix 8A is a typical weekly allocation sheet made up by the Meat Division of the Ministry. (See footnote 1.)

All allocations are calculated on a value basis to tie-in with the value system of rationing and to avoid the complexities of having to allocate various weights of various cuts and types of meat. Thus, for example, the depot manager knows that the wholesale value of the ration registrations held by the butchers attached to his depot amounts to £3,500 a week. He also knows that he will receive £2,100 worth of domestic meat from nearby slaughter-houses. He therefore takes action through the head of his Area Wholesale Meat Supply Association to secure £1,400 worth of imported meat from the nearest MINDAL cold store. The area officer makes similar calculations on a value basis for his area as a whole and the central office does the same on an inter-area basis. Conversions from numbers of livestock and weights of livestock or meat to monetary value are made on the basis of standard conversion tables which give a high degree of accuracy.

In the allocation process no attempt is now made to apportion kinds and grades of meat equally between the various depots. This was done in the early stages of the control program, but introduced so much administrative complexity and required so much unessential transport that it has been abandoned. Now each depot is simply supplied with the nearest meat without regard to its kind or quality. It is therefore theoretically possible that in a given period one depot may be entirely stocked with homegrown mutton while another depot has nothing to give the retail butchers in its area except imported frozen beef. While there was some minor grumbling when this plan was put into effect, it is now generally accepted and butchers and consumers are content to take what meat is available. Transport and manpower economies under this system have been very significant and it may now be said that, with rare exceptions, all homegrown meat is consumed within 20 or 25 miles of the farm on which the livestock were raised, and that imported meat makes just one progressive journey from port to consumer without cross-hauls or back hauls.

3. Wholesale Distribution. - All wholesale distribution of meat in England is now handled by Wholesale Meat Supply Associations. Eight such associations have been created, six covering different areas in England and Wales and two operating in Scotland. They operate some 913 wholesale meat depots all over the country, and are responsible for assembling meat from slaughterhouses and cold storage warehouses keeping track of it, disposing of it to retailers and collecting payment from retailers.

Plans for forming these associations were laid before the war and went into effect shortly after the war started. The associations are made up of firms and individuals who were engaged in the wholesale meat trade just prior to the war. "Wholesale" is defined as sale or distribution of meat in carcasses, sides, quarters or smaller portions to other wholesalers or retailers. Determination of eligibility for membership was one of the more complicated problems faced in the formative stages of the program. A minimum level of prewar volume was first set up as a qualification for membership together with a requirement as to fixed premises of business. These were speedily abandoned, however, as protests arose. The Ministry officials concerned still feel, however, that it would be desirable to include such qualifications. One peculiar limitation of membership was that no organization was considered to be a wholesaler if it did not dispose of its meat to another wholesaler or retailer which was "a separate legal entity". Thus, chain-store organizations which bought meat from slaughterers and distributed it to their retail stores were not admitted to membership in the associations as wholesalers except where the wholesale and retail branches of the organization were separately incorporated. The standards used for determining

eligibility for membership are discussed in more detail in Appendix 9 attached.

General instructions governing the organization and activities of the association are included as Appendix 10. 2/

Appendix 11 2/ gives the Articles of Association of a typical W.M.S.A. Appendix 12 2/ gives a picture of the organization and personnel of the headquarters office of a typical association.

The associations also have county offices. Appendix 13 2/ gives a list of the personnel of a typical county office.

Some further discussion of the process by which the associations were organized may be worth while as a guide in case similar re-organization of the wholesale meat trade is planned in the United States. Immediately before the war the trade in each area was asked to nominate a Defense Committee. In general nominations were made by existing trade organizations and were approved by the Ministry for the representative character of the group, and the qualifications of the members. This Defense Committee became the first Committee of Management when the new organization was set up. The Articles of Association provided for Ministry representation on the Committee with provision that the Ministry representative should have majority vote. The area meat and livestock officer is normally the Government representative on the association. When the time came to set up the Associations public announcement was made that all persons and firms who regarded themselves as wholesalers should apply to the Management Committee for admission to the Association and a deadline date was set for completion of membership lists.

The general policy was to be liberal in accepting members and all persons were admitted who could satisfy the committee that they were legitimately engaged in wholesaling of meat in the datum year. There was also a provision that the Minister of Food could direct that any given firm or individual be admitted to membership and provision was made for appeals to the Minister in cases where membership application had been rejected by the Management Committee. The only large group of applications which were rejected were firms which sought membership, but which proved in fact to have been wholesalers in livestock rather than in meat as such. With the formation of the association all individual wholesaling operations by the member firms ceased, and the association itself took over their functions. Such equipment and premises as were felt to be necessary were taken over by the Association and their former owners were reimbursed for them. No compensation was paid for facilities which were simply closed down.

2/ See footnote 1.

It should be emphasised that the associations operate simply as agents of the Ministry. They do not own any meat in their own right. The associations are reimbursed for their services on a fixed commission for the volume of meat they handle. This commission has been established at a rate which has been determined by cost accounting investigations to be sufficient to cover all reasonable expenses of the association and leave a small surplus for the reimbursement of its members. This surplus is held as an association pool and is divided amongst all members on a pro-rata basis based on the proportion of total turnover which each firm handled during pre-war datum period. The distribution of the surplus pool is approved by the Ministry, provision being made for a uniform rate of payment to all members regardless of the exact character of their pre-war operation. Exceptions to this rule are made in the case of member firms which normally engaged only in sales only to other wholesalers, the rate for them being 1/3 of the standard rate; dealers in offals who are paid at double or triple the standard rates; and what are known as "hardship cases" where special rates of payment are arranged by the association for member firms for which it is obvious that the strict application of standard rate would be grossly unjust. The usual example is a firm which normally did a considerable volume of business but was, for one reason or another, operating on a greatly reduced scale during the particular datum period which was chosen. These arrangements for maintaining the income of owners of firms which have been displaced by the new organisation have been an invaluable tool in securing the willing cooperation of the trade in operating the new set-up and making it operate smoothly. The actual average total payments have amounted to approximately 1 3/4% as an annual rate on the datum turnover of the member firms. There has been little complaint about the equity of the distribution. Some criticism has been directed at the Ministry for continuing to pay a considerable portion of the pre-war profits to firms and individuals which are no longer performing any service, but the Ministry points out that this device has enabled them to avoid any claims for compensation for destruction of pre-war businesses and to proceed without hindrance in the re-organisation which has achieved very significant economies in the much more important area of operating expenses.

An illustration of the economies which have been achieved may be seen in the case of the City of Manchester. Before the war there were approximately 50 firms engaged in wholesale meat trading in this area. Altogether these firms employed some 400 or more people including about 125 managerial staff, 150 clerks and 135 labourers of various sorts. Now the whole equivalent distribution job is done by one large depot which employs a total of about 110 persons including 15 managerial staff, 37 clerks and 58 labourers. The entire meat wholesaling function in the Northwest Area of England serving about 6,500 butchers and a total population of about 5½ million people is now handled by the Wholesale Meat Association with a total staff of about 750 people. The throughput of meat in the area is valued at about £950,000 a week and total expenses run about

£3,500 not counting rent and transport. Thus the basic wholesale distribution cost is on the order of 1%, which of course is extremely low. To this cost there must be added, however, rent and transport charges, the "profit" part of the commission paid to the association by the Ministry and the personnel and operating costs of the Ministry's own supervising staff in the area.

Altogether, however, both the money and real costs of wholesale distribution are a great deal less than they were before the war. The major factors in this economy are, of course, the elimination of double handling of the product, excessive facilities, duplicate staff, etc. Another economy has been achieved by the elimination of the bad debt problem by requiring a guarantee from the W.M.S.A. to the Ministry for the value of the meat they handle and a corresponding guarantee to the W.M.S.A. by the retailers. Thus the industry has been changed from a credit to a cash basis with resulting economies in accounting and bad debt costs.

The actual personnel which has been displaced by the reorganisation has been readily absorbed in other branches of the war effort, the younger staff going into the armed forces and other more essential work while the senior staff members and principals of the pre-war wholesale firms have almost all found employment with the Ministry or the W.M.S.A. or related activities.

As has been indicated, the actual operations of the W.S.M.A.'s are carried on in wholesale depots scattered all over the areas in which the associations work. These depots have been selected with regard to the adequacy of their facilities and the convenience of their location in relation to the population to be served and the slaughterhouses and cold stores from which they draw their supplies. In point of fact some 2/3 of the depots are physically attached to the local slaughterhouses, and facilities such as cool rooms, are used jointly by both, even though the slaughterhouses as such are now technically run by the Government, while the depot is operated by the "private" W.M.S.A.

The volume of meat required to meet rations of the retailers attached to each depot is received weekly in the depot from the nearby slaughterhouses and cold stores. The functions of the depot include splitting carcasses into sides and quarters, (depots do not attempt to provide smaller cuts of meat to retailers), and assembling each retailer's consignment of meat as directed by the allocation officer (see below), making arrangements for transporting the meat to the retailer's shop, and keeping track of the amounts of meat sent and money owed.

In Scotland the depot manager is also responsible for the actual allocation of meat to the various retailers, but throughout England and Wales this important function is handled through Retail Buying Committees which

are voluntary organisations set up by the retailers at the suggestion of the Ministry. Normally there will be one such committee for each Local Food Office in the area. All retail butchers, large caterers and other groups which normally buy meat at wholesale will be members of the committee. The main functions of the committees are to appoint an allocation officer and to supervise generally the process of allocation and payments made by retailers. The allocation function particularly important and the Ministry's action in delegating this job to a representative of the retailers themselves is an outstanding example of the way in which the Ministry avoided becoming involved in the more delicate and technical aspects of the operation of the trade.

As the system actually operates the depot manager advises the allocation officer of the amount and kinds of meat which are scheduled to come into the depot for the given period and the allocation officer matches these up against purchase authorisations of each of the retailers in his committee. It is his job to say just which kinds and qualities of meat and which specific sides or quarters or whole carcasses are to go to each retailer. He attempts to make up the exact value of each retailer's buying permit as nearly as possible, taking into account the nature of the trade done by each particular retailer and attempting to secure an equitable adjustment of the proportion of good and poor meat going to each retailer over a period. The retailer does not make up any kind of an order indicating that he wants so much beef and so much lamb or so much first quality meat, or so much second quality meat, nor does the retailer appear at the depot to select his own meat. He takes what is allocated to him and makes the best of it. Normally two or three allocations are made each week to each retailer, although this varies depending on the size of the depot and the volume of business done by the particular retailer. One special provision which may be mentioned is that some retail buying committees have at their own expense and initiative set up reallocation depots where meat may be cut up more meticulously than is done at the main depots and the butcher who wants a fellow retailer who may want fewer steaks and more soup bones. The prices at which the various cuts are sold to retailers are fixed at a uniform level throughout the country. Appendix 13A gives 2/ the current wholesale price list.

When the meat is sold to the retail buying committee it leaves the direct ownership and control of the Ministry for the first time since the animal walked into the collecting center. Once in the hands of retailers it is distributed to consumers according to the system of value rationing which has been described briefly in a separate report.

2/ See footnote 1.

2. Conclusion. - This, then is the procedure by which meat is brought from the farm and ports to the consumer in the amounts specified by the ration. The general flow under the system is illustrated in Appendix 14, and the organisation of the Ministry for handling the task of meat control is illustrated in the chart attached as Appendix 15.

In general the system has worked extremely well, although there have been some few criticisms. Appendix 16 gives 2/ a critical review which recently appeared in one of the Co-operative publications.

2/ See footnote 1.

